

1 and 50 percent of the amount appropriated shall be distributed under par. (be). In  
2 fiscal year 2019–20 and each fiscal year thereafter, 100 percent of the amount  
3 appropriated shall be distributed under par. (be).

4 **SECTION 647.** 38.28 (2) (c) of the statutes is repealed.

5 **SECTION 648.** 38.28 (2) (d) of the statutes is amended to read:

6 38.28 (2) (d) Notwithstanding ~~par.~~ pars. (b), (be), and (bm), the board may  
7 withhold, suspend or reduce in whole or in part payment of state aid under this  
8 subsection to any district board whose program or educational personnel does not  
9 meet minimum standards set by the board or which violates this chapter or any rule  
10 promulgated by the board under the authority of this chapter. The board shall  
11 discontinue aids to those programs which are no longer necessary to meet needs  
12 within the state.

13 **SECTION 649.** 38.28 (2) (g) of the statutes is repealed.

14 **SECTION 650.** 38.28 (3) of the statutes is repealed.

15 **SECTION 651.** 38.28 (4) of the statutes is amended to read:

16 38.28 (4) From the appropriation under s. 20.292 (1) ~~(dm)~~ (f), the board shall  
17 ~~annually may~~ pay to any district that does not have an institution or college campus  
18 located within the district an amount equal to that portion of the instructional costs  
19 of the district's collegiate transfer program not supported by fees and tuition that is  
20 equal to the state support of similar programs in the University of Wisconsin System,  
21 as determined by the board. In this subsection, "institution" and "college campus"  
22 have the meanings specified under s. 36.05.

23 **SECTION 652.** 38.28 (6) of the statutes is repealed.

24 **SECTION 653.** 38.29 (1) of the statutes is amended to read:

**SECTION 653**

1        38.29 (1) The board shall annually notify each district board receiving state aid  
2        under s. 38.28 (2) (g) of the amounts available for grants under this section. Grants  
3        may award grants to district boards under this section may be awarded only for the  
4        development of advanced chauffeur training facilities, the acquisition of  
5        instructional equipment for such facilities, operational costs associated with the  
6        maintenance of such facilities and equipment and costs incurred in the coordination  
7        of the training programs.

8        **SECTION 654.** 38.29 (2) (c) of the statutes is amended to read:

9        38.29 (2) (c) Amounts awarded shall be paid from the appropriation under s.  
10       20.292 (1) (fg) (f).

11       **SECTION 655.** 38.32 (2) of the statutes is amended to read:

12       38.32 (2) The board shall review proposals submitted by district boards that  
13       are consistent with sub. (1). From the appropriation under s. 20.292 (1) (e) (f), the  
14       board shall may award grants to district boards to partially pay the salaries of  
15       teachers participating in approved proposals. Any funds received by a district board  
16       under this subsection shall be equally matched by the district board.

17       **SECTION 656.** 38.33 (1) (intro.) of the statutes is amended to read:

18       38.33 (1) (intro.) From the appropriation under s. 20.292 (1) (eg) (f), the board  
19       shall may award grants to district boards to establish faculty development programs.  
20       The programs shall promote all of the following:

21       **SECTION 657.** 38.38 of the statutes is amended to read:

22       **38.38 Services for handicapped students.** Annually the board shall may  
23       award a grant to each district board, from the appropriation under s. 20.292 (1) (de)  
24       (f), to assist in funding transitional services for handicapped students. Each district

1 board shall receive an amount equal to one-sixteenth of the amount appropriated  
2 and shall contribute matching funds equal to 25% of the amount awarded.

3 **SECTION 658.** 38.40 (4m) (a) of the statutes is amended to read:

4 38.40 (4m) (a) The board may approve an innovative school-to-work program  
5 provided by a nonprofit organization for children at risk, as defined in s. 118.153 (1)  
6 (a), in a county having a population of 500,000 or more to assist those children at risk  
7 in acquiring employability skills and occupational-specific competencies before  
8 leaving high school. If the board approves a program under this paragraph, the  
9 board may award a grant, from the appropriation under s. 20.292 (1) (ef) (f), to the  
10 nonprofit organization providing the program and the nonprofit organization shall  
11 use the funds received under the grant to provide the program.

12 **SECTION 659.** 38.41 (3) (a) of the statutes is amended to read:

13 38.41 (3) (a) ~~The board shall award grants~~ Amounts awarded under this section  
14 shall be paid from the appropriation under s. 20.292 (1) (eh) (f).

15 **SECTION 660.** 38.50 (title) of the statutes is renumbered 440.55 (title).

16 **SECTION 661.** 38.50 (1) (intro.) of the statutes is renumbered 440.55 (1) (intro.).

17 **SECTION 662.** 38.50 (1) (a) of the statutes is renumbered 440.55 (1) (a) and  
18 amended to read:

19 440.55 (1) (a) ~~Notwithstanding s. 38.01 (2), "board"~~ "Board" means the  
20 educational approval board.

21 **SECTION 663.** 38.50 (1) (b) of the statutes is renumbered 440.55 (1) (b).

22 **SECTION 664.** 38.50 (1) (c) of the statutes is renumbered 440.55 (1) (c).

23 **SECTION 665.** 38.50 (1) (d) of the statutes is renumbered 440.55 (1) (d).

24 **SECTION 666.** 38.50 (1) (e) of the statutes is renumbered 440.55 (1) (e).

25 **SECTION 667.** 38.50 (1) (f) of the statutes is renumbered 440.55 (1) (f).

1       **SECTION 668.** 38.50 (1) (g) of the statutes is renumbered 440.55 (1) (g).

2       **SECTION 669.** 38.50 (2) of the statutes is renumbered 440.55 (2).

3       **SECTION 670.** 38.50 (3) of the statutes is renumbered 440.55 (3).

4       **SECTION 671.** 38.50 (5) of the statutes is renumbered 440.55 (5) and amended  
5 to read:

6       440.55 (5) EMPLOYEES, QUARTERS. The board shall employ a person to perform  
7 the duties of an executive secretary and any other persons under the classified  
8 service that may be necessary to carry out the board's responsibilities. The person  
9 performing the duties of the executive secretary shall be in charge of the  
10 administrative functions of the board. The board shall, to the maximum extent  
11 practicable, keep its office with the ~~technical college system board~~ department.

12       **SECTION 672.** 38.50 (7) of the statutes is renumbered 440.55 (7).

13       **SECTION 673.** 38.50 (8) of the statutes is renumbered 440.55 (8).

14       **SECTION 674.** 38.50 (10) (title) of the statutes is renumbered 440.55 (10) (title).

15       **SECTION 675.** 38.50 (10) (a) of the statutes is renumbered 440.55 (10) (a) and  
16 amended to read:

17       440.55 (10) (a) *Authority.* All proprietary schools shall be examined and  
18 approved by the board before operating in this state. Approval shall be granted to  
19 schools meeting the criteria established by the board for a period not to exceed one  
20 year. No school may advertise in this state unless approved by the board. All  
21 approved schools shall submit quarterly reports, including information on  
22 enrollment, number of teachers and their qualifications, course offerings, number of  
23 graduates, number of graduates successfully employed, and such other information  
24 as the board considers necessary. If a school closure results in losses to students,

1 parents, or sponsors, the board may authorize the full or partial payment of those  
2 losses from the appropriation under s. ~~20.292 (2)~~ 20.165 (3) (gm).

3 **SECTION 676.** 38.50 (10) (b) of the statutes is renumbered 440.55 (10) (b).

4 **SECTION 677.** 38.50 (10) (c) of the statutes is renumbered 440.55 (10) (c).

5 **SECTION 678.** 38.50 (10) (cm) of the statutes is renumbered 440.55 (10) (cm).

6 **SECTION 679.** 38.50 (10) (d) of the statutes is renumbered 440.55 (10) (d).

7 **SECTION 680.** 38.50 (10) (e) of the statutes is renumbered 440.55 (10) (e).

8 **SECTION 681.** 38.50 (10) (f) of the statutes is renumbered 440.55 (10) (f).

9 **SECTION 682.** 38.50 (11) (title) of the statutes is renumbered 440.55 (11) (title).

10 **SECTION 683.** 38.50 (11) (a) of the statutes is renumbered 440.55 (11) (a).

11 **SECTION 684.** 38.50 (11) (b) of the statutes is renumbered 440.55 (11) (b).

12 **SECTION 685.** 38.50 (11) (c) of the statutes is renumbered 440.55 (11) (c).

13 **SECTION 686.** 38.50 (11) (d) of the statutes is renumbered 440.55 (11) (d) and  
14 amended to read:

15 440.55 (11) (d) The board or association shall preserve a student record that  
16 comes into the possession of the board or association under par. (b) 1. or 2. and shall  
17 keep the student record confidential as provided under 20 USC 1232g and 34 CFR  
18 part 99. A student record in the possession of the board is not open to public  
19 inspection or copying under s. 19.35 (1). Upon request of the person who is the subject  
20 of a student record or an authorized representative of that person, the board or  
21 association shall provide a copy of the student record to the requester. The board or  
22 association may charge a fee for providing a copy of a student record. The fee shall  
23 be based on the administrative cost of taking possession of, preserving, and providing  
24 the copy of the student record. All fees collected by the board under this paragraph  
25 shall be credited to the appropriation account under s. ~~20.292 (2)~~ 20.165 (3) (i).

**SECTION 687**

**SECTION 687.** 38.50 (12) of the statutes is renumbered 440.55 (12).

**SECTION 688.** 38.50 (13) (title) of the statutes is renumbered 440.55 (13) (title).

**SECTION 689.** 38.50 (13) (a) of the statutes is renumbered 440.55 (13) (a).

**SECTION 690.** 38.50 (13) (b) of the statutes is renumbered 440.55 (13) (b).

**SECTION 691.** 38.50 (13) (c) of the statutes is renumbered 440.55 (13) (c).

**SECTION 692.** 38.50 (13) (d) of the statutes is renumbered 440.55 (13) (d) and amended to read:

440.55 (13) (d) The board may charge a fee for evaluating an educational institution under par. (a) 2. e. in an amount that is sufficient to cover all costs that the board incurs in evaluating the institution. All fees collected by the board under this paragraph shall be credited to the appropriation account under s. ~~20.292 (2)~~ 20.165 (3) (g).

**SECTION 693.** 39.435 (7) (a) 1. of the statutes is amended to read:

39.435 (7) (a) 1. For purposes of calculating the amount to be appropriated under s. 20.235 (1) (fe) for fiscal year ~~2013–14~~ 2015–16, “base amount” means the amount shown in the schedule under s. 20.005 for that appropriation for fiscal year ~~2012–13~~ 2014–15.

**SECTION 694.** 39.435 (7) (a) 2. of the statutes is amended to read:

39.435 (7) (a) 2. For purposes of calculating the amount to be appropriated under s. 20.235 (1) (fe) for each fiscal year after fiscal year ~~2013–14~~ 2015–16, “base amount” means the appropriation amount calculated under par. (b) for the previous fiscal year.

**SECTION 695.** 39.435 (7) (b) (intro.) of the statutes is amended to read:

1           39.435 (7) (b) (intro.) Biennially, beginning on February 1, ~~2013~~ 2015, the board  
2       shall calculate the amounts to be appropriated under s. 20.235 (1) (fe) for the next  
3       biennium as follows:

4           **SECTION 696.** 40.015 (1) of the statutes is amended to read:

5           40.015 (1) The Wisconsin retirement system is established as a governmental  
6       plan and as a qualified plan for federal income tax purposes under the internal  
7       revenue-code Internal Revenue Code and shall be so maintained and administered.

8           **SECTION 697.** 40.015 (2) of the statutes is amended to read:

9           40.015 (2) No benefit plan authorized under this chapter may be administered  
10      in a manner which violates an ~~internal revenue-code~~ Internal Revenue Code  
11      provision that authorizes or regulates that benefit plan or which would cause an  
12      otherwise tax exempt benefit to become taxable under the ~~internal revenue-code~~  
13      Internal Revenue Code.

14          **SECTION 698.** 40.015 (3) of the statutes is created to read:

15          40.015 (3) For the purposes of compliance with the Internal Revenue Code, the  
16      plan year is January 1 through December 31.

17          **SECTION 699.** 40.02 (13m) of the statutes is created to read:

18          40.02 (13m) “Craft employee” means a state employee who is a skilled  
19      journeyman craftsman, including the skilled journeyman craftsman’s apprentices  
20      and helpers, but does not include employees who are not in direct line of progression  
21      in the craft. Craft employees may be either nonrepresented or in a collective  
22      bargaining unit for which a representative is recognized or certified under ch. 111.

23          **SECTION 700.** 40.02 (18g) of the statutes is amended to read:

24          40.02 (18g) “Deferred compensation plan” means a plan which is in accordance  
25      with section 457 of the ~~internal revenue-code~~ Internal Revenue Code, under which

1 an employer executes an agreement by which an employee voluntarily agrees to  
2 defer a part of gross compensation for payment at a later date. Deferred  
3 compensation plan does not include annuity plans specified under section 403 (b) of  
4 the internal revenue code Internal Revenue Code.

5 **SECTION 701.** 40.02 (31) of the statutes is created to read:

6 40.02 (31) “Federal annual compensation limits” means any annual  
7 compensation limit under section 401 (a) (17) of the Internal Revenue Code, as  
8 adjusted for any cost of living increases under section 401 (a) (17) (B) of the Internal  
9 Revenue Code, but only with respect to plan years beginning after December 31,  
10 1995, and only with respect to individuals who first became participating employees  
11 in plan years beginning after December 31, 1995. This subsection shall be applied  
12 in compliance with section 401 (a) (31) of the Internal Revenue Code pursuant to any  
13 applicable federal regulations or guidance adopted under the Internal Revenue  
14 Code.

15 **SECTION 702.** 40.02 (33) (a) 1. of the statutes is amended to read:

16 40.02 (33) (a) 1. The participant’s total earnings received or considered to be  
17 received under sub. (22) (e), (ef), or (em) and for which contributions are made under  
18 s. 40.05 (1) and (2) during the 3 annual earnings periods (excluding any period more  
19 than 3 years prior to the effective date for any participating employer) in which the  
20 earnings were the highest, subject to the federal annual compensation limits under  
21 ~~26 USC 401 (a) (17) for a participating employee who first becomes a participating~~  
22 ~~employee on or after January 1, 1996; by~~

23 **SECTION 703.** 40.02 (33) (b) 1. of the statutes is amended to read:

24 40.02 (33) (b) 1. For a state elected official who is prohibited by law from  
25 receiving an increase in compensation during the official’s term of office and who so



1 elects, one-twelfth of the annual salary, subject to the federal annual compensation  
2 limits ~~under 26 USC 401 (a) (17) for a participating employee who first becomes a~~  
3 ~~participating employee on or after January 1, 1996,~~ which would have been payable  
4 to the participant during the last completed month in which the participant was a  
5 participating employee in such a position if the participant had not been prohibited  
6 by law from receiving an increase in salary during his or her term of office, but only  
7 with respect to service as a state elected official.

8 **SECTION 704.** 40.02 (33) (c) of the statutes is amended to read:

9 40.02 (33) (c) For a participant who makes an election under s. 40.30 (2), the  
10 monthly rate of earnings applicable under par. (a) or (b), increased as provided under  
11 s. 40.30 (4) (b) but subject to the federal annual compensation limits ~~under 26 USC~~  
12 ~~401 (a) (17) for a participating employee who first becomes a participating employee~~  
13 ~~on or after January 1, 1996.~~

14 **SECTION 705.** 40.02 (37m) of the statutes is created to read:

15 40.02 (37m) “Health savings account” means a health savings account  
16 described in 26 USC 223.

17 **SECTION 706.** 40.02 (37r) of the statutes is created to read:

18 40.02 (37r) “High-deductible health plan” has the meaning given in 26 USC  
19 223 (c) (2).

20 **SECTION 707.** 40.02 (39m) of the statutes is amended to read:

21 40.02 (39m) “Internal revenue code Revenue Code” means the federal internal  
22 revenue code Internal Revenue Code of 1986, under Title 26, USC, as amended, and  
23 applicable federal regulations adopted by the federal department of the treasury,  
24 including temporary regulations.

1       **SECTION 708.** 40.02 (48g) of the statutes is renumbered 40.02 (25g) and  
2 amended to read:

3       40.02 (25g) “Public Eligible retired public safety officer” has the meaning given  
4 in ~~26 USC section 402 (I) (1) (4) (C)~~ (B) of the Internal Revenue Code.

5       **SECTION 709.** 40.02 (48m) (e) of the statutes is amended to read:

6       40.02 (48m) (e) The determination of the alternate payee share does not  
7 require that benefits be paid to the alternate payee if those benefits are also required  
8 to be paid to another alternate payee or to the internal revenue service under a lien  
9 placed on the participant’s account under ~~26 USC section 64 of the Internal Revenue~~  
10 Code.

11       **SECTION 710.** 40.03 (1) (am) of the statutes is amended to read:

12       40.03 (1) (am) Shall ensure that the Wisconsin retirement system complies  
13 with the ~~internal revenue code~~ Internal Revenue Code as a qualified plan for income  
14 tax purposes and shall ensure that each benefit plan is administered in a manner  
15 consistent with all ~~internal revenue code~~ Internal Revenue Code provisions that  
16 authorize and regulate the benefit plan.

17       **SECTION 711.** 40.03 (2) (ig) of the statutes is amended to read:

18       40.03 (2) (ig) Shall promulgate, with the approval of the group insurance board,  
19 all rules required for the administration of the group health, long-term care, income  
20 continuation or life insurance plans established under subchs. IV to VI and health  
21 savings accounts under subch. IV.

22       **SECTION 712.** 40.03 (2) (t) of the statutes is amended to read:

23       40.03 (2) (t) Shall ensure that the Wisconsin retirement system complies with  
24 the ~~internal revenue code~~ Internal Revenue Code as a qualified plan for income tax  
25 purposes and shall ensure that each benefit plan is administered in a manner

1 consistent with all ~~internal revenue code~~ Internal Revenue Code provisions that  
2 authorize and regulate the benefit plan.

3 **SECTION 713.** 40.03 (2) (vm) of the statutes is created to read:

4 40.03 (2) (vm) Annually, before July 1, shall submit a report to the secretary  
5 of administration and the joint committee on finance on the department's progress  
6 in modernizing its business processes and integrating its information technology  
7 systems.

8 **SECTION 714.** 40.03 (6) (c) of the statutes is repealed and recreated to read:

9 40.03 (6) (c) Shall not enter into any agreement to modify or expand benefits  
10 under any group insurance plan, unless the modification or expansion is required by  
11 law or would maintain or reduce premium costs for the state or its employees in the  
12 current or any future year. A reduction in premium costs in future years includes  
13 a reduction in any increase in premium costs that would have otherwise occurred  
14 without the modification or expansion. This paragraph shall not be construed to  
15 prohibit the group insurance board from encouraging participation in wellness or  
16 disease management programs or providing optional coverages if the premium costs  
17 for those coverages are paid by the employees.

18 **SECTION 715.** 40.03 (6) (cm) of the statutes is created to read:

19 40.03 (6) (cm) 1. Notwithstanding ss. 111.321, 111.322, and 111.35, beginning  
20 in 2014, the group insurance board shall impose a premium surcharge for health care  
21 coverage under ss. 40.51 (6) and 40.515 for eligible employees who use tobacco  
22 products and may terminate the health care coverage of any eligible employee who  
23 falsely claims that he or she does not use tobacco products.

24 2. The premium surcharges paid by annuitants who use tobacco products shall  
25 be used to reduce future health care coverage premiums for annuitants and to

**SECTION 715**

1 reimburse the department for costs incurred by the department in providing health  
2 care coverage to annuitants. Annually, the secretary of administration shall  
3 determine the surcharge amounts that are to be used to reimburse the department  
4 for costs incurred by the department in providing health care coverage to annuitants  
5 and shall transfer that amount to the appropriation account under s. 20.515 (1) (w).

6 **SECTION 716.** 40.03 (6) (k) of the statutes is created to read:

7 40.03 (6) (k) Shall establish health savings accounts for state employees who  
8 select a high-deductible health plan under s. 40.515 for their health care coverage  
9 plan.

10 **SECTION 717.** 40.04 (10) of the statutes is amended to read:

11 40.04 (10) An accumulated sick leave conversion account shall be maintained  
12 within the fund, to which shall be credited all money received under s. 40.05 (4) (b),  
13 (bc), (bf), (bm), (br), and (bw) for health insurance premiums, as dividends or  
14 premium credits arising from the operation of health insurance plans and from  
15 investment income on any reserves established in the fund for health insurance  
16 purposes for retired employees and their surviving dependents, and for the payment  
17 of any employer share of OASDHI contributions for sick leave credits used to pay  
18 health insurance premiums for dependents who are not tax dependents under the  
19 Internal Revenue Code. Premium payments to health insurers authorized in s. 40.05  
20 (4) (b), (bc), (bf), (bm), and (bw) shall be charged to this account. This subsection does  
21 not prohibit the direct payment of premiums to insurers when appropriate  
22 administrative procedures have been established for direct payments.

23 **SECTION 718.** 40.04 (11) of the statutes is amended to read:

24 40.04 (11) A health insurance premium credit account shall be maintained  
25 within the fund, to which shall be credited all moneys received under s. 40.05 (4) (by)

1 for the payment of health insurance premiums, as dividends or premium credits  
2 arising from the operation of health insurance plans and from investment income on  
3 any reserves established in the fund for health insurance purposes for retired  
4 employees and their surviving dependents, and for the payment of any employer  
5 share of OASDHI contributions for health insurance premium credits used to pay  
6 health insurance premiums for dependents who are not tax dependents under the  
7 Internal Revenue Code. Premium payments to health insurers authorized in subch.  
8 IX may only be charged to this account after all other health insurance premium  
9 credits under s. 40.05 (4) (b), (bc), (bf), (bm) and (bw) are exhausted. This subsection  
10 does not prohibit the direct payment of premiums to insurers when appropriate  
11 administrative procedures have been established for direct payments.

12 **SECTION 719.** 40.04 (12) of the statutes is created to read:

13 40.04 (12) The department shall establish and maintain a separate account in  
14 the fund to which shall be credited all moneys received from employees and  
15 employers in connection with health savings accounts established under s. 40.515.

16 **SECTION 720.** 40.05 (1) (intro.) of the statutes is amended to read:

17 40.05 (1) EMPLOYEE RETIREMENT CONTRIBUTIONS. (intro.) For Wisconsin  
18 retirement system purposes employee contributions on earnings for service credited  
19 as creditable service shall be subject to the federal annual compensation limits under  
20 ~~26 USC 401 (a) (17) for a participating employee who first becomes a participating~~  
21 ~~employee on or after January 1, 1996,~~ and shall be made as follows:

22 **SECTION 721.** 40.05 (1) (a) 5. of the statutes is amended to read:

23 40.05 (1) (a) 5. Additional contributions may be made by any participant by  
24 deduction from earnings or otherwise or may be provided on behalf of any participant  
25 in any calendar year in which the participant has earnings, subject to any limitations

1 imposed on contributions by the ~~internal revenue code~~ Internal Revenue Code,  
2 applicable regulations adopted under the ~~internal revenue code~~ Internal Revenue  
3 Code and rules of the department.

4 **SECTION 722.** 40.05 (1) (a) 6. of the statutes is amended to read:

5 40.05 (1) (a) 6. Under the rules promulgated under s. 40.03 (2) (r), additional  
6 contributions, ~~other than the first \$5,000 of contributions, or a beneficiary's prorated~~  
7 ~~share thereof,~~ that are attributable to a death benefit paid under s. 40.73, may be  
8 made to the core annuity division by any participant by rollover contribution of a  
9 payment or distribution from a pension or annuity qualified under section 401 of the  
10 Internal Revenue Code, subject to any limitations imposed on contributions by the  
11 Internal Revenue Code, applicable regulations adopted under the Internal Revenue  
12 Code, and rules of the department.

13 **SECTION 723.** 40.05 (2) (intro.) of the statutes is amended to read:

14 40.05 (2) EMPLOYER RETIREMENT CONTRIBUTIONS. (intro.) For Wisconsin  
15 retirement system purposes and subject to the federal annual compensation limits  
16 ~~under 26 USC 401 (a) (17) for a participating employee who first becomes a~~  
17 ~~participating employee on or after January 1, 1996:~~

18 **SECTION 724.** 40.05 (2r) (a) of the statutes is amended to read:

19 40.05 (2r) (a) Contributions made under this section are subject to the  
20 limitations under s. 40.32 and the ~~internal revenue code~~ Internal Revenue Code.

21 **SECTION 725.** 40.05 (2r) (b) (intro.) of the statutes is amended to read:

22 40.05 (2r) (b) (intro.) If a participant in the Wisconsin retirement system also  
23 participates in a different retirement plan offered by an employer that is subject to  
24 section 401 of the ~~internal revenue code~~ Internal Revenue Code and the internal  
25 revenue service seeks to disqualify one or more of the plans because the aggregate

1 contributions to the plans exceed the contribution limits under section 415 of the  
2 ~~internal revenue code~~ Internal Revenue Code, the internal revenue service, if it  
3 permits state law to determine the order of disqualification of such retirement plans,  
4 shall disqualify the retirement plans in the following order:

5 **SECTION 726.** 40.05 (4) (ag) 2. of the statutes is amended to read:

6 40.05 (4) (ag) 2. For eligible employees not specified in subd. 1. and s. 40.02 (25)  
7 (b) 2., an amount not more than 88 percent of the average premium cost of plans  
8 offered in the each tier with the lowest employee premium cost under s. 40.51 (6), as  
9 determined annually by the director of the office of state employment relations under  
10 par. (ah).

11 **SECTION 727.** 40.05 (4) (ah) of the statutes is renumbered 40.05 (4) (ah) 1.

12 **SECTION 728.** 40.05 (4) (ah) 2. of the statutes is created to read:

13 40.05 (4) (ah) 2. For purposes of establishing the amount that employees are  
14 required to pay for health insurance premiums, if a tier under s. 40.51 (6) contains  
15 no health insurance plans, but that tier is used to establish the premium amounts  
16 for employees who work and reside outside of the state, the amount these employees  
17 are required to pay shall be based on the premium contribution amount for that tier  
18 in the prior year, adjusted by the average percentage change of the premium  
19 contribution amount of the other tiers from the prior year.

20 **SECTION 729.** 40.05 (4) (ah) 3. of the statutes is created to read:

21 40.05 (4) (ah) 3. A craft employee shall pay 100 percent of health insurance  
22 premiums, unless otherwise determined by the director.

23 **SECTION 730.** 40.05 (4) (ah) 4. of the statutes is created to read:

24 40.05 (4) (ah) 4. Annually, the director shall determine the amount of  
25 contributions, if any, that the state must contribute into an employee's health

**SECTION 730**

1 savings account under s. 40.515 and the amount that employees are required to pay  
2 for health insurance premiums for a high-deductible health plan under s. 40.515.

3 **SECTION 731.** 40.05 (4) (ah) 5. of the statutes is created to read:

4 40.05 (4) (ah) 5. For purposes of establishing the amount that employees are  
5 required to pay for health insurance premiums, the director shall consider the  
6 amount of premium surcharges that employees are required to pay under s. 40.03 (6)  
7 (cm) 1.

8 **SECTION 732.** 40.05 (4r) of the statutes is amended to read:

9 40.05 (4r) PAYMENT OF CERTAIN INSURANCE PREMIUMS. If an annuitant is a an  
10 eligible retired public safety officer and receives health care coverage or long-term  
11 care coverage under a plan other than one offered under subch. IV, and if the  
12 annuitant so elects by providing written notice to the department, the premium shall  
13 be paid as a deduction under s. 40.06 (1) (a) from the annuitant's annuity. If the  
14 annuitant receives an annuity that is not sufficient to cover premium payments, the  
15 annuitant shall make premium payments directly to the insurer. The department  
16 shall establish procedures to permit an annuitant who is a an eligible retired public  
17 safety officer to elect to have his or her premium paid as a deduction under s. 40.06  
18 (1) (a) from his or her annuity. The annuitant shall provide the department with all  
19 necessary information to permit the department to make the payment in a timely  
20 manner.

21 **SECTION 733.** 40.07 (1r) of the statutes is created to read:

22 40.07 (1r) Upon request of the department of revenue, the department may  
23 disclose information, including social security numbers, to the department of  
24 revenue concerning an annuity only for the following purposes:

25 (a) To administer the payment of state taxes.



1 (am) To aid in collecting debts owed to the department of revenue.

2 (b) To locate participants, or the assets of participants, who have failed to file  
3 tax returns, underreported their taxable income, or who are delinquent debtors.

4 (c) To identify fraudulent tax returns and credit claims.

5 (d) To provide information for tax-related prosecutions.

6 **SECTION 734.** 40.08 (2) (b) of the statutes is amended to read:

7 40.08 (2) (b) If permitted under a deferred compensation plan established  
8 under subch. VII, insurance premiums for health or long-term care insurance  
9 coverage for ~~a~~ <sup>strike extra spaces</sup> an eligible retired public safety officer may be deducted from an  
10 amount distributed under a deferred compensation plan and paid directly to an  
11 insurer.

12 **SECTION 735.** 40.08 (14) of the statutes is amended to read:

13 40.08 (14) ROLLOVERS TO OTHER RETIREMENT PLANS. If a participant who is  
14 entitled to receive a lump sum payment or a monthly annuity certain under s. 40.24  
15 (1) (f) for which the participant has specified a term of less than 120 months or an  
16 annuity certain of less than 10 years in duration from the Wisconsin retirement  
17 system and who has an account established under any other retirement plan located  
18 in the United States so directs in writing, on a form prescribed by the department,  
19 the department shall pay the lump sum payment or the monthly annuity directly to  
20 the participant's account under that other retirement plan for credit under that other  
21 retirement plan. The department shall cease payment of the monthly annuity  
22 payments to the annuitant's account under the other retirement plan within 30 days  
23 of the written request of the annuitant or written notice of the annuitant's death.  
24 This subsection shall be applied in compliance with section 401 (a) (31) of the

1 Internal Revenue Code pursuant to any applicable federal regulations or guidance  
2 adopted under the Internal Revenue Code.

3 **SECTION 736.** 40.19 (5) of the statutes is created to read:

4 40.19 (5) For the purpose of complying with section 401 (a) (7) of the Internal  
5 Revenue Code, a participant shall be 100 percent vested in, and have a nonforfeitable  
6 right to, his or her retirement benefits upon attaining eligibility for the retirement  
7 benefits. A participant shall also be 100 percent vested in, and have a nonforfeitable  
8 right to, his or her accumulated employee contributions at all times. In the event of  
9 a termination of, or a complete discontinuance of employer contributions to the  
10 Wisconsin retirement system, a participant shall be 100 percent vested in, and have  
11 a nonforfeitable right to, his or her accrued retirement benefits. All such benefits are  
12 nonforfeitable to the extent funded. For the purpose of complying with section 401  
13 (a) (8) of the Internal Revenue Code, any forfeitures of benefits by participants or  
14 former participants of the Wisconsin retirement system may not be used to pay  
15 benefit increases.

16 **SECTION 737.** 40.22 (2) (a) of the statutes is amended to read:

17 40.22 (2) (a) Except as provided in sub. (2m), the employee was initially  
18 ~~employed by a participating employer~~ a participating employee before July 1, 2011,  
19 and is not expected to work at least one-third of what is considered full-time  
20 employment by the department, as determined by rule.

21 **SECTION 738.** 40.22 (2m) (intro.) of the statutes is amended to read:

22 40.22 (2m) (intro.) An employee who was ~~initially employed by a participating~~  
23 ~~employer~~ a participating employee before July 1, 2011, who is not expected to work  
24 at least one-third of what is considered full-time employment by the department,  
25 as determined by rule, and who is not otherwise excluded under sub. (2) from

1 becoming a participating employee shall become a participating employee if he or she  
2 is subsequently employed by the state agency or other participating employer for  
3 either of the following periods:

4 **SECTION 739.** 40.23 (4) (a) of the statutes is amended to read:

5 40.23 (4) (a) Subject to all requirements under the ~~internal revenue code~~  
6 section 401 (a) (9) of the Internal Revenue Code and federal regulations applicable  
7 to that section, which relate to a governmental plan, as defined in section 414 (d) of  
8 the Internal Revenue Code, the department shall distribute to the participant the  
9 entire amount that is credited to the account of a participant under the Wisconsin  
10 retirement system no later than the required beginning date, unless the department  
11 distributes this amount as an annuity or in more than one payment. If the  
12 department distributes this amount as an annuity or in more than one payment, the  
13 department shall begin the distribution no later than the required beginning date.

14 **SECTION 740.** 40.23 (4) (b) (intro.) of the statutes is amended to read:

15 40.23 (4) (b) (intro.) In the calendar year immediately preceding the calendar  
16 year of a participant's required beginning date, if the department distributes the  
17 amount that is credited to the account of a participant under the Wisconsin  
18 retirement system in a form other than as a lump sum payment, the department,  
19 subject to all requirements under the ~~internal revenue code~~ Internal Revenue Code,  
20 shall calculate the distribution to the participant according to one of the following:

21 **SECTION 741.** 40.23 (4) (e) of the statutes is amended to read:

22 40.23 (4) (e) 1. Subject to subds. 2. to 4. and section 401 (a) (9) of the Internal  
23 Revenue Code, if a participant dies before the distribution of benefits has commenced  
24 and the participant's beneficiary is the spouse or domestic partner, the department  
25 shall begin the distribution within 5 years after the date of the participant's death.

1           2. If Subject to section 401 (a) (9) of the Internal Revenue Code, if the spouse  
2 or domestic partner files a subsequent beneficiary designation with the department,  
3 the payment of the distribution may be deferred until the January 1 of the year in  
4 which the participant would have attained the age of 70.5 years.

5           3. If Subject to section 401 (a) (9) of the Internal Revenue Code, if the spouse  
6 or domestic partner does not apply for a distribution, the distribution shall begin as  
7 an automatic distribution as provided under subd. 1. or under par. (c), whichever  
8 distribution date is earlier.

9           4. If Subject to section 401 (a) (9) of the Internal Revenue Code, if the spouse  
10 or domestic partner dies, but has designated a new beneficiary, the birth date of the  
11 spouse or domestic partner shall be used for the purposes of determining the required  
12 beginning date.

13           5. The department shall specify by rule all procedures relating to an automatic  
14 distribution to the spouse or domestic partner. These rules shall comply with the  
15 internal revenue code Internal Revenue Code.

16           **SECTION 742.** 40.23 (4) (f) (intro.) of the statutes is amended to read:

17           40.23 (4) (f) (intro.) If a participant dies before the distribution of benefits has  
18 commenced and the participant's beneficiary is not the spouse or domestic partner  
19 beneficiary cannot delay the automatic payment of benefits under section 401 (a) (9)  
20 of the Internal Revenue Code, the beneficiary shall do one of the following:

21           **SECTION 743.** 40.23 (4) (h) of the statutes is created to read:

22           40.23 (4) (h) Death and disability benefits provided under this chapter are  
23 limited by the incidental benefit rule under section 401 (a) (9) (G) of the Internal  
24 Revenue Code and applicable federal regulations and guidance adopted under the  
25 Internal Revenue Code.

1           **SECTION 744.** 40.23 (4) (i) of the statutes is created to read:

2           40.23 (4) (i) Distributions of benefits shall conform to a reasonable and good  
3           faith interpretation of section 401 (a) (9) of the Internal Revenue Code.

4           **SECTION 745.** 40.23 (4) (j) of the statutes is created to read:

5           40.23 (4) (j) Pursuant to a qualified domestic relations order, the department  
6           may establish separate benefits for a participant and an alternate payee.

7           **SECTION 746.** 40.26 (1) of the statutes is amended to read:

8           40.26 (1) Except as provided in sub. (1m) and ss. 40.05 (2) (g) 2. and 40.23 (1)  
9           (am), if a participant receiving a retirement annuity, or a disability annuitant who  
10          has attained his or her normal retirement date, receives earnings that are subject  
11          to s. 40.05 (1) or that would be subject to s. 40.05 (1) except for the exclusion specified  
12          in s. 40.22 (2) (L), the annuity shall be terminated and no annuity payment shall be  
13          payable after the month in which the participant files with the department a written  
14          election to be included within the provisions of the Wisconsin retirement system as  
15          a participating employee.

16          **SECTION 747.** 40.26 (1m) of the statutes is created to read:

17          40.26 (1m) If a participant receiving a retirement annuity, or a disability  
18          annuitant who has attained his or her normal retirement date, is employed in a  
19          position in covered employment in which he or she is expected to work at least  
20          two-thirds of what is considered full-time employment by the department, as  
21          determined under s. 40.22 (2r), the participant's annuity shall be terminated and no  
22          annuity payment shall be payable until after the participant terminates covered  
23          employment.

24          **SECTION 748.** 40.26 (2) (intro.) of the statutes is amended to read:

**SECTION 748**

1           40.26 (2) (intro.) Upon termination of an annuity under sub. (1) or (1m), the  
2           retirement account of the participant whose annuity is so terminated shall be  
3           reestablished on the following basis:

4           **SECTION 749.** 40.26 (5) (intro.) of the statutes is amended to read:

5           40.26 (5) (intro.) If a participant applies for an annuity or lump sum payment  
6           during the period in which less than ~~30~~ 75 days have elapsed between the  
7           termination of employment with a participating employer and becoming a  
8           participating employee with any participating employer, all of the following shall  
9           apply:

10          **SECTION 750.** 40.30 (4) (b) of the statutes is amended to read:

11          40.30 (4) (b) Subject to the federal annual compensation limits ~~under 26 USC~~  
12          ~~401 (a) (17) for a participating employee who first becomes a participating employee~~  
13          ~~on or after January 1, 1996~~, the final average salary or final average earnings used  
14          in the benefit formula computation for each retirement system under par. (a) shall  
15          be the individual's final average salary or final average earnings under the  
16          respective retirement system, determined in accordance with the provisions of that  
17          retirement system based on the earnings covered by that retirement system and on  
18          all service permitted under that retirement system to be used in determining the  
19          final average salary or final average earnings, increased by the percentage increase  
20          in the average of the total wages, as determined under 42 USC 415 (b) (3) (A),  
21          between the date on which the individual terminated all employment covered by that  
22          retirement system and the date on which the individual terminated all employment  
23          covered by any of those retirement systems.

24          **SECTION 751.** 40.31 (1) of the statutes is amended to read:

1           40.31 (1) GENERAL LIMITATION. The maximum retirement benefits payable to  
2           a participant in a calendar year, excluding benefits attributable to contributions  
3           subject to ~~any limitations under s. 40.23 (2) (a), (2m) (c) and (3) the limit under s.~~  
4           40.32, may not exceed the maximum benefit limitation established under section 415  
5           (b) of the Internal Revenue Code, as adjusted under section 415 (d) of the Internal  
6           Revenue Code and any applicable regulations or guidance adopted under the  
7           Internal Revenue Code, except that the limit for an individual who first became a  
8           participant before January 1, 1990, may not be less than the accrued benefits of the  
9           participant, as determined without regard to any changes to the retirement system  
10          after October 14, 1987.

11           **SECTION 752.** 40.32 (1) of the statutes is amended to read:

12           40.32 (1) The sum of all employee post-tax contributions allocated to a  
13           participant's account ~~under each defined contribution plan sponsored by the~~  
14           ~~employer, including all employer contributions and picked-up contributions~~  
15           ~~credited with interest at the effective rate under ss. 40.04 (4) (a) and (5) (b) and 40.05~~  
16           ~~(2) (g) and all employee contributions made under ss. 40.02 (17) and 40.05 (1), may~~  
17           not in any calendar year exceed the maximum contribution limitation established  
18           under section 415 (c) of the Internal Revenue Code, as adjusted under section 415 (d)  
19           of the Internal Revenue Code and any applicable regulations adopted by the federal  
20           department of the treasury.

21           **SECTION 753.** 40.515 of the statutes is created to read:

22           **40.515 Health savings accounts; high-deductible health plan.** (1) In  
23           addition to the health care coverage plans offered under s. 40.51 (6), beginning on  
24           January 1, 2015, the group insurance board shall offer to all state employees the  
25           option of receiving health care coverage through a high-deductible health plan and

1 the establishment of a health savings account. Under this option, each employee  
2 shall receive health care coverage through a high-deductible health plan. The state  
3 shall make contributions into each employee's health savings account in an amount  
4 specified by the director of the office of state employment relations under s. 40.05 (4)  
5 (ah) 4. In designing a high-deductible health plan, the group insurance board shall  
6 ensure that the plan may be used in conjunction with a health savings account.

7 (2) The group insurance board may contract with any person to provide  
8 administrative and other services relating to health savings accounts established  
9 under this section.

10 (3) The group insurance board may collect fees from state agencies to pay all  
11 administrative costs relating to the establishment and operation of health savings  
12 accounts established under this section. The group insurance board shall develop a  
13 methodology for determining each state agency's share of the administrative costs.  
14 Moneys collected under this subsection shall be credited to the appropriation account  
15 under s. 20.515 (1) (tm).

16 (4) Beginning on January 1, 2015, to the extent practicable, any agreement  
17 with any insurer or provider to provide health care coverage to state employees  
18 under s. 40.51 (6) shall require the insurer or provider to also offer a high-deductible  
19 health plan that may be used in conjunction with a health savings account.

20 **SECTION 754.** 40.72 (4r) of the statutes is amended to read:

21 40.72 (4r) At any time after an insured employee's amount of life insurance is  
22 reduced under subs. (2) and (3) and life insurance premiums are no longer required  
23 under s. 40.05 (6) (b), the employee may convert the present value of the life  
24 insurance to pay the premiums for health or long-term care insurance provided  
25 under subch. IV, but only if the department determines that the value of the



1 conversion is exempt from taxation under the ~~internal-revenue code~~ Internal  
2 Revenue Code.

3 **SECTION 755.** 40.80 (2) (g) of the statutes is amended to read:

4 40.80 (2) (g) Serve as trustee of any deferred compensation plan established  
5 under this section, hold the assets and income of the plan in trust for the exclusive  
6 benefit of the employees who participate in the plan and their beneficiaries, and  
7 maintain the plan as an eligible deferred compensation plan, as defined in ~~26 USC~~  
8 section 457 (b) of the Internal Revenue Code, and as a governmental plan for eligible  
9 employers, as defined in ~~26 USC~~ section 457 (e) (1) (A) of the Internal Revenue Code.

10 **SECTION 756.** 40.80 (2t) of the statutes is amended to read:

11 40.80 (2t) The deferred compensation board may require a deferred  
12 compensation plan under this subchapter, upon election by a participant who is a an  
13 eligible retired public safety officer, to allow for the deduction of insurance premiums  
14 for health or long-term care insurance coverage from an amount distributed from a  
15 participant's account and for the payment of the premiums directly to an insurer.

16 **SECTION 757.** 40.81 (2) of the statutes is amended to read:

17 40.81 (2) Any local government employer, or 2 or more employers acting jointly,  
18 may also elect under procedures established by the employer or employers to  
19 contract directly with a deferred compensation plan provider to administer a  
20 deferred compensation plan or to manage any compensation deferred under the plan  
21 and may also provide a plan under section 403 (b) of the ~~internal-revenue code~~  
22 Internal Revenue Code under procedures established by the local government  
23 employer or employers.

24 **SECTION 758.** 40.86 (intro.) of the statutes is amended to read:

**SECTION 758**

1           **40.86 Covered expenses.** (intro.) An employee-funded reimbursement  
2 account plan may provide reimbursement to an employee for only the following  
3 expenses that are actually incurred and paid by an employee and that the board  
4 determines are consistent with the applicable requirements of the internal revenue  
5 code Internal Revenue Code:

6           **SECTION 759.** 41.23 of the statutes is amended to read:

7           **41.23 Sale of excess or surplus property.** The department may acquire  
8 excess or surplus property from the department of administration under ss. 16.72 (4)  
9 (b) and 16.98 (1) or from the department of transportation under s. 84.09 (5s) and,  
10 subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), the department may  
11 sell the property acquired under this section to any person at a price determined by  
12 the department of tourism. All proceeds received by the department of tourism from  
13 the sale of property under this section shall be credited to the appropriation account  
14 under s. 20.380 (1) (h).

15           **SECTION 760.** 41.41 (7) (b) of the statutes is amended to read:

16           41.41 (7) (b) Lease Subject to any prior action under s. 13.48 (14) (am) or 16.848  
17 (1), lease land that is part of the Kickapoo valley reserve to any person for purposes  
18 consistent with the management of the reserve under sub. (3), or for agricultural  
19 purposes, and lease other land that is acquired by the board for any lawful purpose.

20           **SECTION 761.** 42.106 (3) of the statutes is created to read:

21           42.106 (3) The state fair park board shall enter into a memorandum of  
22 understanding with the department of administration regarding the provision of  
23 police and security services to state fair park.

24           **SECTION 762.** 44.015 (1) of the statutes is amended to read:

1           44.015 (1) Acquire any interest in real or personal property by gift, bequest or  
2 otherwise in any amount and, subject to prior action under s. 13.48 (14) (am) or  
3 16.848 (1), may operate, manage, sell, or rent or convey real estate acquired by gift,  
4 bequest, foreclosure or other means, upon such terms and conditions as the board of  
5 curators deems for its interests but may not sell, mortgage, transfer or dispose of in  
6 any manner or remove from its buildings, except for temporary purposes, any article  
7 therein without authority of law.

8           **SECTION 763.** 44.16 (1) of the statutes is amended to read:

9           44.16 (1) The Subject to any prior action under s. 13.48 (14) (am) or 16.848 (1),  
10 the historical society may enter into a lease agreement with the Circus World  
11 Museum Foundation, Inc., for the purpose of operating Circus World Museum,  
12 located in Baraboo, Wisconsin. The lease agreement shall not include any provision  
13 for the payment of a percentage of gross admissions income at Circus World Museum  
14 to the historical society. If a lease agreement under this subsection is not in effect,  
15 the historical society shall operate and maintain Circus World Museum as provided  
16 in s. 44.20 (1).

      \*\*\*\*NOTE: This is reconciled s. 44.16 (1). This SECTION has been affected by drafts  
with the following LRB numbers: LRB-1130/6 and LRB-1433/1.

17           **SECTION 764.** 44.20 (1) of the statutes is amended to read:

18           44.20 (1) The historical society shall operate and maintain the historic sites  
19 known as Stonefield Village, Pendarvis, Villa Louis, Old Wade House, Madeline  
20 Island Museum, Old World Wisconsin, H.H. Bennett Studies Studio, and, if the First  
21 Capitol state park has been transferred to the historical society under 1993  
22 Wisconsin Act 16, section 9142 (1e), First Capitol. If a lease agreement under s. 44.16

1 (1) is not in effect, the historical society shall also operate and maintain Circus World  
2 Museum.

3 **SECTION 765.** 45.02 (2) (intro.) of the statutes is amended to read:

4 45.02 (2) (intro.) Except as provided in sub. (3) and s. 45.51 (6m), to be eligible  
5 for benefits under this chapter an applicant shall be a resident of and living in this  
6 state at the time of making application or the veteran from whom the applicant  
7 derives eligibility is deceased, and the veteran from whom eligibility is derived meets  
8 one of the following conditions:

9 **SECTION 766.** 45.03 (5) (c) 1. a. of the statutes is amended to read:

10 45.03 (5) (c) 1. a. Without limitation by reason of any other provisions of the  
11 statutes except ~~s. ss. 13.48 (14) (am) and 16.848 (1)~~, unless otherwise required by law,  
12 the power to sell and to convey title in fee simple to a nonprofit corporation any land  
13 and any existing buildings owned by the state that are under the jurisdiction of the  
14 department for the consideration and upon the terms and conditions as in the  
15 judgment of the board are in the public interest.

16 **SECTION 767.** 45.04 (1) (a) of the statutes is amended to read:

17 45.04 (1) (a) “Duly authorized representative” means any person authorized  
18 in writing by the veteran to act for the veteran, the veteran’s guardian if the veteran  
19 is adjudicated incompetent, or a legal representative if the veteran is deceased.  
20 ~~Where for proper reason no representative~~ If no person is so authorized and no  
21 guardian or legal representative has been or will be appointed, the veteran’s spouse,  
22 an adult child of the veteran, or, if the veteran is unmarried, ~~either a parent or adult~~  
23 sibling of the veteran shall be recognized as the duly authorized representative.

24 **SECTION 768.** 45.20 (1) (d) of the statutes is amended to read:

1           45.20 (1) (d) “Tuition,” when referring to the University of Wisconsin System,  
2           means academic fees and segregated fees; when referring to the technical colleges,  
3           means “program fees” and “additional fees” as described in s. 38.24 (1m) and (1s); and  
4           when referring to a high school, a school that is approved under s. 45.03 (11), or a  
5           proprietary school that is approved under s. ~~38.50~~ 440.55, means the charge for the  
6           courses for which a person is enrolled.

7           **SECTION 769.** 45.20 (2) (a) 1. of the statutes is amended to read:

8           45.20 (2) (a) 1. The department shall administer a tuition reimbursement  
9           program for eligible veterans enrolling as undergraduates in any institution of  
10          higher education in this state, enrolling in a school that is approved under s. 45.03  
11          (11), enrolling in a proprietary school that is approved under s. ~~38.50~~ 440.55,  
12          enrolling in a public or private high school, enrolling in a tribal school, as defined in  
13          s. 115.001 (15m), in any grade from 9 to 12, or receiving a waiver of nonresident  
14          tuition under s. 39.47.

15          **SECTION 770.** 45.20 (2) (a) 2. (intro.) of the statutes is amended to read:

16          45.20 (2) (a) 2. (intro.) A veteran who is a resident of this state and otherwise  
17          qualified to receive benefits under this subsection may receive the benefits under  
18          this subsection upon the completion of any correspondence courses or part-time  
19          classroom study from an institution of higher education located outside this state,  
20          from a school that is approved under s. 45.03 (11), or from a proprietary school that  
21          is approved under s. ~~38.50~~ 440.55, if any of the following applies:

22          **SECTION 771.** 45.20 (2) (c) 1. of the statutes is amended to read:

23          45.20 (2) (c) 1. A veteran who meets the eligibility requirements under par. (b)  
24          1. may be reimbursed upon satisfactory completion of an undergraduate semester in  
25          any institution of higher education in this state, or upon satisfactory completion of

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1 a course at any school that is approved under s. 45.03 (11), any proprietary school  
2 that is approved under s. ~~38.50~~ 440.55, any public or private high school, any tribal  
3 school, as defined in s. 115.001 (15m), that operates any grade from 9 to 12, or any  
4 institution from which the veteran receives a waiver of nonresident tuition under s.  
5 39.47. Except as provided in par. (e), the amount of reimbursement may not exceed  
6 the total cost of the veteran's tuition minus any grants or scholarships that the  
7 veteran receives specifically for the payment of the tuition, or, if the tuition is for an  
8 undergraduate semester in any institution of higher education, the standard cost of  
9 tuition for a state resident for an equivalent undergraduate semester at the  
10 University of Wisconsin–Madison, whichever is less.

11 **SECTION 772.** 45.20 (2) (d) 1. (intro.) of the statutes is amended to read:

12 45.20 (2) (d) 1. (intro.) Subject to subd. 1m., a veteran's eligibility for  
13 reimbursement under this subsection at any institution of higher education in this  
14 state, at a school that is approved under s. 45.03 (11), at a proprietary school that is  
15 approved under s. ~~38.50~~ 440.55, at a public or private high school, at a tribal school,  
16 as defined in s. 115.001 (15m), that operates any grade from 9 to 12, or at an  
17 institution where he or she is receiving a waiver of nonresident tuition under s. 39.47  
18 is limited to the following:

19 **SECTION 773.** 45.205 of the statutes is created to read:

20 **45.205 Tuition reimbursement for students at tribal colleges. (1)**

21 **DEFINITIONS.** In this section:

22 (a) "Tribal college" means any of the following:

23 1. The College of Menominee Nation.

24 2. Lac Courte Oreilles Ojibwa Community College.

1 (b) “Tuition” means the amount charged to a student to enroll in a degree credit  
2 course. “Tuition” does not include fees or the cost of room and board, books, supplies,  
3 or equipment.

4 (2) TUITION REIMBURSEMENT PROGRAM. (a) *Application*. Any veteran enrolled  
5 in a tribal college may apply to the department for tuition reimbursement under this  
6 subsection on a form prescribed by the department. The application shall contain  
7 information, as determined by the department, establishing the applicant’s  
8 eligibility for tuition reimbursement under this subsection.

9 (b) *Eligibility*. A veteran is eligible for tuition reimbursement under this  
10 subsection if he or she meets all of the following conditions:

11 1. The veteran is enrolled as a member of a federally recognized American  
12 Indian tribe or band in this state.

13 2. The veteran’s annual household income does not exceed \$50,000 plus \$1,000  
14 for each dependent in excess of 2 dependents.

15 3. The veteran is a resident of this state at the time of application under par.  
16 (a).

17 4. The veteran was a resident of this state at the time of his or her entry into  
18 service or was a resident of this state for any consecutive 12-month period after entry  
19 into service and before the date of application under par. (a). If a veteran who  
20 submits an application under par. (a) meets that consecutive 12-month residency  
21 requirement, the department may not require the veteran to reestablish that he or  
22 she meets that residency requirement when he or she later applies for any other  
23 benefit under this chapter for which that residency requirement applies.

24 5. The veteran does not have a bachelor’s or higher degree from an institution  
25 of higher education, as defined in 20 USC 1001 (a).

1           (c) *Benefits.* 1. Subject to the limitations under par. (d), if a veteran submits  
2           an application under par. (a) and establishes his or her eligibility for tuition  
3           reimbursement under par. (b), the department shall reimburse the veteran for the  
4           total amount of his or her tribal college tuition from the appropriation under s. 20.485  
5           (2) (km).

6           2. If in any fiscal year the total amount of reimbursement payments to be paid  
7           under subd. 1. exceeds the moneys available for the payments from the appropriation  
8           under s. 20.485 (2) (km), the department shall prorate the available moneys among  
9           the applicants for reimbursement in proportion to the approved reimbursement  
10          amounts.

11          (d) *Limitations.* 1. The department may not reimburse a veteran under this  
12          subsection for more than the following number of credits or semesters at a tribal  
13          college:

14           a. If the veteran served on active duty, except service on active duty for training  
15           purposes, for 90 to 180 days, 30 credits or 2 semesters.

16           b. If the veteran served on active duty, except service on active duty for training  
17           purposes, for 181 to 730 days, 60 credits or 4 semesters.

18           c. If the veteran served on active duty, except service on active duty for training  
19           purposes, for more than 730 days, 120 credits or 8 semesters, except that, for courses  
20           a veteran begins later than 10 years after the veteran's separation from service, the  
21           department may not reimburse a veteran for more than 60 credits or 4 semesters.

22          3. The department may not provide reimbursement under this subsection to  
23          a veteran who is delinquent in child support or maintenance payments or who owes  
24          past support, medical expenses, or birth expenses, as established by appearance of



1 the veteran's name on the statewide support lien docket under s. 49.854 (2) (b), unless  
2 the veteran provides the department with one of the following:

3 a. A repayment agreement that the veteran has entered into, that has been  
4 accepted by the county child support agency under s. 59.53 (5), and that has been  
5 kept current for the 6-month period immediately preceding the date of the  
6 application under par. (a).

7 b. A statement that the veteran is not delinquent in child support or  
8 maintenance payments and does not owe past support, medical expenses, or birth  
9 expenses, signed by the department of children and families or its designee within  
10 7 working days before the date of the application under par. (a).

11 4. The department may not provide reimbursement under this subsection for  
12 any semester in which the veteran is eligible for or received a grant under s. 321.40  
13 or under 10 USC 2007.

14 5. The department may not provide reimbursement under this subsection for  
15 any semester for which the veteran received reimbursement under s. 45.20.

16 6. The department may not provide reimbursement under this subsection for  
17 any semester in which the veteran fails to receive at least a 2.0 grade point average  
18 or an average grade of "C."

19 7. The department shall reduce the reimbursement amount under par. (c) by  
20 the amount of any grant or scholarship the veteran receives specifically for the  
21 payment of college tuition.

22 (3) RULES. The department shall promulgate rules to implement this section.

23 **SECTION 774.** 45.21 (2) (a) of the statutes is amended to read:

24 45.21 (2) (a) The veteran is enrolled in a training course in a technical college  
25 under ch. 38 or in a proprietary school in the state approved by the educational

1 approval board under s. ~~38.50~~ 440.55, other than a proprietary school offering a  
2 4-year degree or 4-year program, or is engaged in a structured on-the-job training  
3 program that meets program requirements promulgated by the department by rule.

4 **SECTION 775.** 45.41 (2) (a) of the statutes is amended to read:

5 45.41 (2) (a) If the total amount paid under sub. (3) is from \$1 to \$2,499  
6 \$119,999, the organization shall receive an amount equal to 50 percent of the amount  
7 paid.

8 **SECTION 776.** 45.41 (2) (b) of the statutes is repealed.

9 **SECTION 777.** 45.41 (2) (c) of the statutes is repealed.

10 **SECTION 778.** 45.41 (2) (d) of the statutes is amended to read:

11 45.41 (2) (d) If the total amount paid under sub. (3) is \$120,000 or more, the  
12 organization shall receive ~~\$30,000~~ \$70,000.

13 **SECTION 779.** 45.41 (2) (e) of the statutes is created to read:

14 45.41 (2) (e) An organization that receives a payment under par. (a) or (d) shall  
15 maintain records as required by the department concerning the organization's  
16 expenditure of the payment. That organization shall give the department access to  
17 those records upon request of the department, and the department may audit those  
18 records.

19 **SECTION 780.** 45.41 (3m) of the statutes is amended to read:

20 45.41 (3m) If the total amount of payments required to be paid under sub. (2)  
21 (a) ~~to (e)~~ and (d) exceeds the amount available for the payments from the  
22 appropriation under s. 20.485 (2) (vw), the department shall prorate the  
23 reimbursement payments among the state veterans organizations receiving the  
24 payments.

1           **SECTION 781.** 45.41 (4) of the statutes is renumbered 45.41 (4) (a) and amended  
2 to read:

3           45.41 (4) (a) From the appropriation under s. 20.485 (2) (s), the department  
4 shall annually provide a payment of ~~\$100,000~~ \$120,000 to the Wisconsin department  
5 of the Disabled American Veterans for the provision of transportation services to  
6 veterans.

7           **SECTION 782.** 45.41 (4) (b) of the statutes is created to read:

8           45.41 (4) (b) The Wisconsin department of the Disabled American Veterans  
9 shall maintain records as required by the department concerning its expenditure of  
10 the payment under par. (a). The Wisconsin department of the Disabled American  
11 Veterans shall give the department access to those records upon request of the  
12 department and the department may audit those records to ensure that the  
13 Wisconsin department of the Disabled American Veterans is using the payment  
14 under par. (a) to provide transportation services to veterans.

15           **SECTION 783.** 45.41 (5) of the statutes is created to read:

16           45.41 (5) From the appropriation under s. 20.485 (2) (vw), the department may  
17 annually grant up to \$50,000 to the Wisconsin department of the American Legion  
18 for the operation of Camp American Legion.

19           **SECTION 784.** 45.43 (1) of the statutes is amended to read:

20           45.43 (1) The department shall administer a program to provide assistance to  
21 persons who served in the U.S. armed forces or in forces incorporated as part of the  
22 U.S. armed forces and who were discharged under conditions other than  
23 dishonorable. The department shall provide assistance under this section to persons  
24 whose need for services is based upon homelessness, incarceration, or other  
25 circumstances designated by the department by rule. The eligibility requirements

**SECTION 784**

1 under s. 45.02 (2) do not apply to a person applying for assistance under this section.

2 The department shall designate the assistance available under this section, which  
3 may include assistance in receiving medical care, dental care, education,  
4 employment, single room occupancy housing, and transitional housing. The  
5 department may provide payments to facilitate the provision of services under this  
6 section. ~~From the appropriation under s. 20.485 (2) (ac), the department shall~~  
7 ~~provide \$15,000 annually during fiscal years 2007–08 and 2008–09 to the Center for~~  
8 ~~Veterans Issues, Ltd., of Milwaukee, to provide outreach services to homeless~~  
9 ~~veterans with post-traumatic stress disorder.~~

10 **SECTION 785.** 45.43 (3) of the statutes is repealed.

11 **SECTION 786.** 45.44 (1) (a) 5. of the statutes is amended to read:

12 45.44 (1) (a) 5. A license, certification, registration, or permit issued under s.  
13 94.10 (2), (3), or (3g), 94.50 (2), 94.704, 95.60, 97.17 (2), 97.175 (2), 97.22 (2), 98.145,  
14 98.146, ~~or~~ 98.18 (1) (a), or 168.23 (3).

15 **SECTION 787.** 45.44 (1) (a) 11m. of the statutes is created to read:

16 45.44 (1) (a) 11m. A registration issued under s. 202.13 or 202.14.

17 **SECTION 788.** 45.45 of the statutes is created to read:

18 **45.45 Grant to VETransfer, Inc. (1) PAYMENT.** From the appropriation under  
19 s. 20.485 (2) (vm), the department shall pay \$500,000 to VETransfer, Inc., in fiscal  
20 year 2013–14, subject to the requirements under subs. (2) to (5).

21 **(2) GRANTS TO VETERAN-OWNED START-UP BUSINESSES.** Of the moneys VETransfer,  
22 Inc., receives under sub. (1), VETransfer, Inc., shall grant at least \$300,000 to  
23 veterans who are residents of this state or to businesses owned by veterans who are  
24 residents of this state. A veteran or a veteran's business that is awarded a grant

1 under this subsection may use the grant only to pay for costs associated with the  
2 start-up of a business located in this state that the veteran owns.

3 (3) VETERAN ENTREPRENEURSHIP TRAINING. Of the moneys VETransfer, Inc.,  
4 receives under sub. (1), VETransfer, Inc., may use up to \$200,000 to provide  
5 entrepreneurial training and related services to veterans who are residents of this  
6 state.

7 (4) REPORTING AND AUDIT REQUIREMENTS. (a) Annually, by March 1, until 2018  
8 or one year following the date established by the department under sub. (5) (a),  
9 VETransfer, Inc., shall submit to the secretary, the governor, and the secretary of  
10 administration a report that includes all of the following:

11 (a) The most recent financial statement for VETransfer, Inc.

12 (b) A detailed description of the criteria VETransfer, Inc., used to determine  
13 who received a grant under sub. (2) during the previous year.

14 (c) A verified statement describing in detail the grants VETransfer, Inc., made  
15 under sub. (2), and the expenditures VETransfer, Inc., made under sub. (3), during  
16 the previous year, signed by an independent certified public accountant and the  
17 director or principal officer of VETransfer, Inc., to attest to the accuracy of the  
18 verified statement. The verified statement shall include all of the following  
19 concerning each award of a grant VETransfer, Inc., made under sub. (2) during the  
20 previous year:

21 1. The name and address of the grant recipient and the name and address of  
22 the start-up business.

23 2. The names and addresses of all of the start-up business's owners, including  
24 an identification of the business's owners who are veterans, and, if the grant  
25 recipient was a business other than the start-up business, the names and addresses

1 of the grant recipient's owners, including an identification of the business's owners  
2 who are veterans.

3 3. The names and addresses of the start-up business's board of directors and  
4 key management employees and, if the grant recipient was a business other than the  
5 start-up business, the names and addresses of the grant recipient's board of  
6 directors and key management employees.

7 4. A description of the nature of the start-up business.

8 5. Any information the grant recipient submitted to VETTransfer, Inc., to apply  
9 for the grant.

10 6. The amount of the grant and the date VETTransfer, Inc., awarded the grant.

11 7. A statement of the number of employees the start-up business employed on  
12 January 1 of the previous year and the number of employees the start-up business  
13 employed on December 31 of the previous year.

14 (d) A summary of all investments and grants of any kind that VETTransfer, Inc.,  
15 made during the previous year.

16 (e) VETTransfer, Inc., shall maintain records, as required by the department,  
17 concerning its expenditures of the moneys it receives under sub. (1). VETTransfer,  
18 Inc., shall give the department access to those records upon request of the  
19 department, and the department may audit those records to ensure compliance with  
20 the requirements under this section.

21 (5) SUNSET. (a) Except as provided under par. (b), VETTransfer, Inc., may not  
22 expend any moneys it receives under sub. (1) after June 30, 2017, or a later date  
23 established by the department.

1 (b) VETransfer, Inc., shall pay to the secretary of administration for deposit in  
2 the general fund any moneys it receives under sub. (1) but does not expend by June  
3 30, 2017, or by a later date established by the department under par. (a).

4 **SECTION 789.** 45.50 (2m) (e) of the statutes is amended to read:

5 45.50 (2m) (e) All moneys received as reimbursement for services to veterans  
6 homes employees or as payment for meals served to guests at veterans homes shall  
7 be accumulated in an account named “employee maintenance credits” and shall be  
8 paid into the general fund within one week after receipt and credited to the  
9 appropriation account under s. 20.485 (1) ~~(gk)~~ (r). This paragraph does not apply to  
10 any agreement entered into pursuant to par. (c).

11 **SECTION 790.** 45.50 (11) of the statutes is created to read:

12 45.50 (11) MEDICAL ASSISTANCE ASSESSMENT EXEMPTION. A Wisconsin veterans  
13 home is exempt from paying any assessment imposed on the licensed beds in the  
14 home under s. 50.14 (2) (am).

15 **SECTION 791.** 45.51 (2) (b) 1. of the statutes is repealed.

16 **SECTION 792.** 45.51 (2) (b) 5. of the statutes is amended to read:

17 45.51 (2) (b) 5. Has care needs that the veterans home is able to provide within  
18 the resources allocated for the care of members of the veterans home, ~~including~~  
19 ~~chronic alcoholism, drug addiction, psychosis, or active tuberculosis.~~

20 **SECTION 793.** 45.51 (3) (a) of the statutes is renumbered 45.51 (3) (a) 2.

21 **SECTION 794.** 45.51 (3) (a) 1. of the statutes is created to read:

22 45.51 (3) (a) 1. In this paragraph, “physical care” includes skilled rehabilitation  
23 services following a hospital stay that meets the qualifications under 42 CFR 409.30.

24 **SECTION 795.** 45.51 (3) (c) 1. (intro.) of the statutes is amended to read:

**SECTION 795**

1           45.51 (3) (c) 1. (intro.) The categories for the order of priority for admission to  
2 a veterans home shall be as follows:

3           **SECTION 796.** 45.51 (3) (c) 1m. of the statutes is created to read:

4           45.51 (3) (c) 1m. Within each category specified in subd. 1., the following order  
5 of priority shall apply:

6           a. A person who is a resident of the state on the date of application for  
7 membership in a veterans home and who has been residing continuously in the state  
8 for a period of more than 6 months immediately preceding the date of application for  
9 membership has first priority for admission.

10          b. A person who is a resident of the state on the date of application for  
11 membership in a veterans home and who has been residing continuously in the state  
12 for a period of 6 months or less immediately preceding the date of application for  
13 membership has 2nd priority for admission.

14          c. A person who is not a resident of the state on the date of application for  
15 membership in a veterans home has 3rd priority for admission.

16           **SECTION 797.** 45.51 (5) (intro.) of the statutes is amended to read:

17           45.51 (5) ADDITIONAL ELIGIBILITY REQUIREMENTS OF A SURVIVING SPOUSE. (intro.)  
18 The surviving spouse of a person under sub. (2) (a) 1. or 2. ~~who was a resident of this~~  
19 ~~state at the time of the veteran's death~~ is eligible if the surviving spouse meets the  
20 requirements of sub. (2) (b) 3. to 5. and if the surviving spouse satisfies all of the  
21 following conditions:

22           **SECTION 798.** 45.51 (5) (f) of the statutes is repealed.

23           **SECTION 799.** 45.51 (6) (intro.) of the statutes is amended to read:

24           45.51 (6) ADDITIONAL ELIGIBILITY REQUIREMENTS OF PARENTS. (intro.) The parent  
25 of a person under sub. (2) (a) 1. or 2. ~~who was a resident of this state at the time of~~



1 the person's death or, the parent of a living person under sub. (2) (a) 1. or 2. who is  
2 eligible for membership, or the parent of a person who died while in the service is  
3 eligible if the parent meets the requirements of sub. (2) (b) 3. to 5. and if the parent  
4 satisfies all of the following conditions:

5 **SECTION 800.** 45.51 (6) (b) of the statutes is repealed.

6 **SECTION 801.** 45.51 (6m) of the statutes is created to read:

7 45.51 (6m) RESIDENCY. In order to be eligible for benefits under this subchapter,  
8 a person specified under sub. (2) (a) 1., 2., or 3. does not have to be a resident of this  
9 state on the date of application for membership.

10 **SECTION 802.** 45.51 (12) of the statutes is amended to read:

11 45.51 (12) POWERS OF COMMANDANT OVER PERSONAL FUNDS OF MEMBERS. A  
12 commandant, the secretary, or the secretary's designee may receive, disburse, and  
13 account for funds of members.

14 **SECTION 803.** 45.61 (2) (f) of the statutes is created to read:

15 45.61 (2) (f) A person who is a member of a veterans home under s. 45.50.

16 **SECTION 804.** 45.61 (3) of the statutes is amended to read:

17 45.61 (3) FEES AND COSTS. The department may charge a fee for burials under  
18 this section and may promulgate rules for the assessment of any fee. The cost of  
19 preparing the grave and the erection of a marker for a person described under sub.  
20 (2) (a), (b), (d), or (e) shall be paid from the appropriation under s. 20.485 (1) ~~(gk)~~ (r).

21 **SECTION 805.** 45.61 (4) of the statutes is renumbered 45.61 (4) (a).

22 **SECTION 806.** 45.61 (4) (b) of the statutes is created to read:

23 45.61 (4) (b) In processing applications for burial plots, the department shall  
24 maintain a waiting list for each of the cemeteries operated under sub. (1) and shall  
25 give priority to state residents on each waiting list.

1       **SECTION 807.** 45.61 (5) (a) of the statutes is amended to read:

2       45.61 (5) (a) Expenses incident to the burial under this section of persons  
3       described in sub. (2) (a) and (b) to (e) shall be paid from the estate of the decedent,  
4       except that if there is no estate or the estate is insufficient, the expense of burial, or  
5       necessary part of the burial, shall be paid from the appropriation under s. 20.485 (1)  
6       (~~gk~~) (r) for members of veterans homes, and the amount expended for those expenses  
7       shall not exceed the amount established for funeral and burial expenses under s.  
8       49.785 (1) (b).

9       **SECTION 808.** 45.70 (1) of the statutes is renumbered 45.70 (1m).

10      **SECTION 809.** 45.70 (1b) (title) of the statutes is created to read:

11      45.70 (1b) (title) ESTABLISHMENT AND MODIFICATIONS OF MEMORIALS.

12      **SECTION 810.** 45.70 (1b) (b) of the statutes is created to read:

13      45.70 (1b) (b) The board may act under par. (a) only if the department estimates  
14      that the cost of implementing the proposal for an established or future state  
15      memorial will exceed \$25,000.

16      **SECTION 811.** 45.70 (2) (a) of the statutes is renumbered 45.70 (1b) (a) and  
17      amended to read:

18      45.70 (1b) (a) The board may approve, recommend, and veto any proposed  
19      plans, modifications, and changes or policies with respect to established state  
20      memorials, ~~including the Camp Randall Memorial Park, Madison, Wisconsin, as~~  
21      ~~described in par. (e),~~ and any future veterans state memorials, and may recommend  
22      the creation and establishment of future veterans state memorials.

23      **SECTION 812.** 45.70 (2) (b) of the statutes is amended to read:

24      45.70 (2) (b) No structures, other than memorials approved by the board, and  
25      no walks, roads, or subterranean footings may be placed or erected upon Camp

1     Randall Memorial Park, Madison, Wisconsin, as described in par. (c), unless  
2     authorized by the legislature; nor shall the park be used for any purpose other than  
3     a memorial park.

4           **SECTION 813.** 45.82 (4) of the statutes is amended to read:

5           45.82 (4) The department shall provide grants to the governing bodies of  
6     federally recognized American Indian tribes and bands from the appropriation  
7     under s. 20.485 (2) (km) or (vw) if that governing body enters into an agreement with  
8     the department regarding the creation, goals, and objectives of a tribal veterans  
9     service officer, appoints a veteran to act as a tribal veterans service officer, and gives  
10    that veteran duties similar to the duties described in s. 45.80 (5), except that the  
11    veteran shall report to the governing body of the tribe or band. The department may  
12    make annual grants of up to ~~\$8,500~~ \$15,000 per grant under this subsection and shall  
13    promulgate rules to implement this subsection.

14          **SECTION 814.** 46.03 (30) (a) of the statutes is amended to read:

15          46.03 (30) (a) To provide for an orderly reduction of state institutional primary  
16    psychiatric services the department may approve the institutes entering into  
17    contracts with county departments under s. 51.42 for providing primary psychiatric  
18    care. If excess capacity exists at state operated mental health institutes, the  
19    department shall, subject to ~~s. ss. 13.48 (14) (am) and 16.848 (1)~~, explore the possible  
20    sale or lease of such excess facilities to a county department under s. 51.42.

21          **SECTION 815.** 46.035 (2) (a) of the statutes is amended to read:

22          46.035 (2) (a) Without limitation by reason of any other provisions of the  
23    statutes except ~~s. ss. 13.48 (14) (am) and 16.848 (1)~~, the power to sell and to convey  
24    title in fee simple to a nonprofit corporation any land and any existing buildings  
25    thereon owned by, or owned by the state and held for, the department or of any of the

1 institutions under the jurisdiction of the department for such consideration and  
2 upon such terms and conditions as in the judgment of the secretary are in the public  
3 interest.

4 **SECTION 816.** 46.057 (2) of the statutes is amended to read:

5 46.057 (2) From the appropriation account under s. 20.410 (3) (ba), the  
6 department of corrections shall transfer to the appropriation account under s. 20.435  
7 (2) (kx) \$1,365,500 in each fiscal year and, from the appropriation account under s.  
8 20.410 (3) (hm), the department of corrections shall transfer to the appropriation  
9 account under s. 20.435 (2) (kx) ~~\$2,890,700~~ \$2,707,100 in fiscal year ~~2011–12~~  
10 ~~2013–14~~ and ~~\$2,964,000~~ \$2,772,800 in fiscal year ~~2012–13~~ 2014–15, for services for  
11 juveniles placed at the Mendota juvenile treatment center. The department of health  
12 services may charge the department of corrections not more than the actual cost of  
13 providing those services.

14 **SECTION 817.** 46.06 (4) of the statutes is amended to read:

15 46.06 (4) SALES. The department may, with the approval of the building  
16 commission, and subject to any prior action under s. 13.48 (14) (am) or 16.848 (1), sell  
17 and convey such lands under the jurisdiction of the department as the secretary  
18 deems to be in excess of the present or future requirements of the department for  
19 either the operation of its facilities or programs, for the maintenance of buffer zones  
20 adjacent to its facilities or for other public purposes. The proceeds of such sales are  
21 subject to s. 13.48 (14) (c).

22 **SECTION 818.** 46.07 of the statutes is amended to read:

23 **46.07 Property of patients or residents.** All money including wages and  
24 other property delivered to an officer or employee of any institution for the benefit  
25 of a patient or resident shall immediately be delivered to the steward, who shall enter

1 the money upon the steward's books to the credit of the patient or resident. The  
2 property shall be used only under the direction and with the approval of the  
3 superintendent and for the crime victim and witness assistance surcharge under s.  
4 973.045 (4), the delinquency victim and witness assistance surcharge under s. 938.34  
5 (8d) (c), the deoxyribonucleic acid analysis surcharge under s. 973.046 (1r), the child  
6 pornography surcharge under s. 973.042, the drug offender diversion surcharge  
7 under s. 973.043, or the benefit of the patient or resident. If the money remains  
8 uncalled for for one year after the patient's or resident's death or departure from the  
9 institution, the superintendent shall deposit the money in the general fund. If any  
10 patient or resident leaves property, other than money, uncalled for at an institution  
11 for one year, the superintendent shall sell the property, and the proceeds shall be  
12 deposited in the general fund. If any person satisfies the department, within 5 years  
13 after the deposit, of his or her right to the deposit, the department shall direct the  
14 department of administration to draw its warrant in favor of the claimant and it shall  
15 charge the same to the appropriation made by s. 20.913 (3) (c).

16 **SECTION 819.** 46.21 (1) (d) of the statutes is amended to read:

17 46.21 (1) (d) "Human services" means the total range of services to people,  
18 including mental illness treatment, developmental disabilities services, physical  
19 disabilities services, income maintenance, youth probation, extended supervision  
20 and parole services, alcohol and drug abuse services, services to children, youth and  
21 families, family counseling, early intervention services for children from birth to the  
22 age of 3, and manpower services. "Human services" does not include child welfare  
23 services administered by the department of children and families under s. 48.48 (17)  
24 ~~administered by the department in a county having a population of 500,000 or more.~~

25 **SECTION 820.** 46.215 (1) (intro.) of the statutes is amended to read:

1           46.215 (1) CREATION; POWERS AND DUTIES. (intro.) ~~In~~ Except as provided in ss.  
2           49.155 (3g), 49.78 (1r), 49.825, and 49.826, in a county with a population of 500,000  
3           750,000 or more the administration of welfare services, other than child welfare  
4           services administered by the department of children and families under s. 48.48 (17)  
5           ~~administered by the department and except as provided in ss. 49.155 (3g), 49.78 (1r),~~  
6           ~~49.825, and 49.826,~~ is vested in a county department of social services under the  
7           jurisdiction of the county board of supervisors under s. 46.21 (2m) (b) 1. a. Any  
8           reference in any law to a county department of social services under this section  
9           applies to a county department under s. 46.21 (2m) in its administration under s.  
10          46.21 (2m) of the powers and duties of the county department of social services.  
11          Except as provided in ss. 49.155 (3g), 49.78 (1r), 49.825, and 49.826, the county  
12          department of social services shall have the following functions, duties, and powers,  
13          and such other welfare functions as may be delegated to it:

14           **SECTION 821.** 46.27 (7g) (a) 1m. of the statutes is created to read:

15           46.27 (7g) (a) 1m. “Decedent” means a deceased client or a deceased nonclient  
16          surviving spouse, whichever is applicable.

17           **SECTION 822.** 46.27 (7g) (a) 4. of the statutes is created to read:

18           46.27 (7g) (a) 4. “Nonclient surviving spouse” means any person who was  
19          married to a client while the client was receiving services for which the cost may be  
20          recovered under par. (c) 1. and who survived the client.

21           **SECTION 823.** 46.27 (7g) (a) 5. of the statutes is created to read:

22           46.27 (7g) (a) 5. a. “Property of a decedent” means all real and personal  
23          property to which the client held any legal title or in which the client had any legal  
24          interest immediately before death, to the extent of that title or interest, including

1 assets transferred to a survivor, heir, or assignee through joint tenancy, tenancy in  
2 common, survivorship, life estate, living trust, or any other arrangement.

3 b. Notwithstanding subd. 5. a., "property of a decedent" includes all real and  
4 personal property in which the nonclient surviving spouse had an ownership interest  
5 at the client's death and in which the client had a marital property interest with that  
6 nonclient surviving spouse at any time within 5 years before the client applied for  
7 long-term community support services funded under sub. (7) or during the time that  
8 the client was eligible for long-term community support services funded under sub.  
9 (7).

10 **SECTION 824.** 46.27 (7g) (c) 1. of the statutes is amended to read:

11 46.27 (7g) (c) 1. Except as provided in subd. 4., the department shall file a claim  
12 against the estate of a client ~~or, and~~ against the estate of ~~the~~ a nonclient surviving  
13 spouse ~~of a client,~~ for the amount of long-term community support services funded  
14 under sub. (7) paid on behalf of the client after the client attained 55 years of age,  
15 unless already recovered by the department under this subsection.

16 **SECTION 825.** 46.27 (7g) (c) 2m. of the statutes is created to read:

17 46.27 (7g) (c) 2m. a. Property that is subject to the department's claim under  
18 subd. 1. in the estate of a client or in the estate of a nonclient surviving spouse is all  
19 property of a decedent that is included in the estate.

20 b. There is a presumption, which may be rebutted by clear and convincing  
21 evidence, that all property in the estate of the nonclient surviving spouse was marital  
22 property held with the client and that 100 percent of the property in the estate of the  
23 nonclient surviving spouse is subject to the department's claim under subd. 1.

24 **SECTION 826.** 46.27 (7g) (c) 3. (intro.) of the statutes is amended to read:

**SECTION 826**

1           46.27 (7g) (c) 3. (intro.) The court shall reduce the amount of a claim under  
2       subd. 1. by up to the amount specified in s. 861.33 (2) if necessary to allow the client's  
3       ~~decedent's~~ heirs or the beneficiaries of the ~~client's~~ decedent's will to retain the  
4       following personal property:

5           **SECTION 827.** 46.27 (7g) (c) 5. a. of the statutes is amended to read:

6           46.27 (7g) (c) 5. a. If the department's claim is not allowable because of subd.  
7       4. and the estate includes an interest in real property, including a home, the court  
8       exercising probate jurisdiction shall, in the final judgment or summary findings and  
9       order, assign the interest in the ~~home~~ real property subject to a lien in favor of the  
10      department for the amount described in subd. 1. The personal representative or  
11      petitioner for summary settlement or summary assignment of the estate shall record  
12      the final judgment as provided in s. 863.29, 867.01 (3) (h), or 867.02 (2) (h).

13          **SECTION 828.** 46.27 (7g) (c) 5. b. of the statutes is amended to read:

14          46.27 (7g) (c) 5. b. If the department's claim is not allowable because of subd.  
15      4., the estate includes an interest in real property, including a home, and the personal  
16      representative closes the estate by sworn statement under s. 865.16, the personal  
17      representative shall stipulate in the statement that the ~~home~~ real property is  
18      assigned subject to a lien in favor of the department for the amount described in subd.  
19      1. The personal representative shall record the statement in the same manner as  
20      described in s. 863.29, as if the statement were a final judgment.

21          **SECTION 829.** 46.27 (7g) (c) 6. (intro.) of the statutes is amended to read:

22          46.27 (7g) (c) 6. (intro.) The department may not enforce the a lien under subd.  
23      5. as long as any of the following survive the decedent:

24          **SECTION 830.** 46.27 (7g) (c) 6m. of the statutes is created to read:



1           46.27 (7g) (c) 6m. All of the following apply to a lien under subd. 5. that the  
2       department may not enforce because of subd. 6.:

3           a. If the decedent's surviving spouse or child who is under age 21 or disabled  
4       refinances a mortgage on the real property, the lien is subordinate to the new  
5       encumbrance.

6           b. The department shall release the lien in the circumstances described in s.  
7       49.848 (5) (f).

8           **SECTION 831.** 46.27 (7g) (g) of the statutes is amended to read:

9           46.27 (7g) (g) The department shall promulgate rules establishing standards  
10       for determining whether the application of this subsection would work an undue  
11       hardship in individual cases. If the department determines that the application of  
12       this subsection would work an undue hardship in a particular case, the department  
13       shall waive application of this subsection in that case. This paragraph does not apply  
14       with respect to claims against the estates of nonclient surviving spouses.

15          **SECTION 832.** 46.286 (1m) of the statutes is created to read:

16          46.286 (1m) INCOME AND ASSETS EXCLUDED. For purposes of determining a  
17       person's financial eligibility under sub. (1) (b) and cost-sharing requirements under  
18       sub. (2), to the extent approved by the federal government, the department or its  
19       designee shall exclude any assets accumulated in an independence account, as  
20       defined in s. 49.472 (1) (c), and any income or assets from retirement benefits earned  
21       or accumulated from employment income or employer contributions while the person  
22       was employed and eligible for and receiving medical assistance under s. 49.472.

23          **SECTION 833.** 46.286 (7) of the statutes is amended to read:

24          46.286 (7) RECOVERY OF FAMILY CARE BENEFIT PAYMENTS; RULES. The department  
25       shall promulgate rules relating apply to the recovery from persons who receive the

**SECTION 833**

1 family care benefit, including by liens and affidavits and from estates, of correctly  
2 ~~and incorrectly~~ paid family care benefits, ~~that are substantially similar to the~~  
3 applicable provisions under ss. 49.496 and 49.497, 49.848, and 49.849.

4 **SECTION 834.** 46.287 (2) (a) 1. k. of the statutes is amended to read:

5 46.287 (2) (a) 1. k. Recovery of family care benefit payments ~~under s. 46.286~~  
6 ~~(7).~~

7 **SECTION 835.** 46.48 (30) (a) of the statutes is amended to read:

8 46.48 (30) SUBSTANCE ABUSE TREATMENT GRANTS. (a) From the appropriation  
9 account under s. 20.435 ~~(7)~~ (5) (bc), the department shall distribute grants on a  
10 competitive basis to county departments of social services and to private nonprofit  
11 organizations, as defined in s. 103.21 (2), for the provision of alcohol and other drug  
12 abuse treatment services in counties with a population of 500,000 or more. Grants  
13 distributed under this subsection may be used only to provide treatment for alcohol  
14 and other drug abuse to individuals who are eligible for federal temporary assistance  
15 for needy families under 42 USC 601 et. seq. and who have a family income of not  
16 more than 200% of the poverty line, as defined in s. 49.001 (5).

17 **SECTION 836.** 46.48 (31) of the statutes is created to read:

18 46.48 (31) PEER RUN RESPITE CENTERS. The department may distribute not more  
19 than \$1,200,000 in each fiscal year, beginning in fiscal year 2014–15, to regional peer  
20 run respite centers for individuals with mental health and substance abuse  
21 concerns.

22 **SECTION 837.** 46.52 of the statutes is amended to read:

23 **46.52 Systems change grants.** From the appropriation under s. 20.435 ~~(7)~~  
24 (5) (md), the department shall distribute funds to each grant recipient under this  
25 section so as to permit initial phasing in of recovery-oriented system changes,